Kern County Economic Forecast

Kern County is located at the southern end of California's Central Valley, just north of Los Angeles County. Agriculture is a vital component of the Kern County economy, and total crop values consistently rank within the top five counties in the nation. Kern County has a population of 872,300 people and approximately 317,600 wage and salary jobs. In 2014, the per capita income in Kern County was $37,267, and the average salary per worker was $55,218.

Kern County is a large producer of oil and natural gas. In recent years, the county has accounted for more than 70 percent of California's total oil production, and approximately 65 percent of the state's natural gas production.
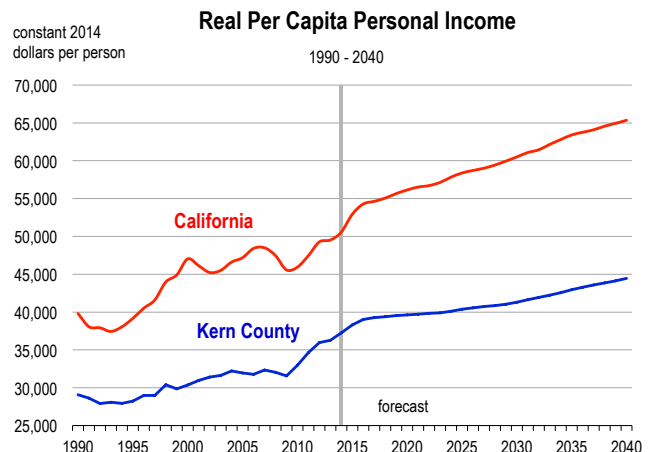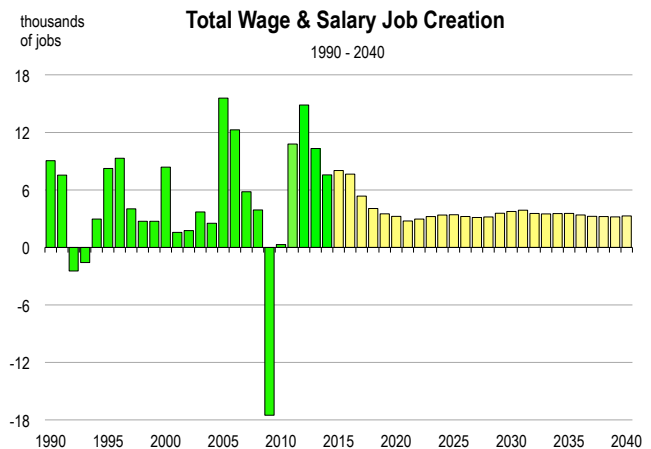
During 2014, employment across Southern California increased by 2.6 percent. Kern County gained 7,600 total wage and salary jobs, representing a growth rate of 2.4 percent. The unemployment rate, while still high, improved dramatically, falling from 11.7 percent in 2013 to 10.5 percent in 2014.

In 2014, job gains were lagest in wholesale and retail trade (+1,900 jobs), leisure and hospitality (+1,300 jobs), government (+1,200 jobs), and agriculture (+1,100 jobs). The largest losses were observed in professional services (-500 jobs) and information (-200 jobs).

Between 2009 and 2014, the population of Kern County grew by 5.0 percent, representing an annual average increase of 1.0 percent. All of this growth was due to the natural increase (new births), as net migration was negative.
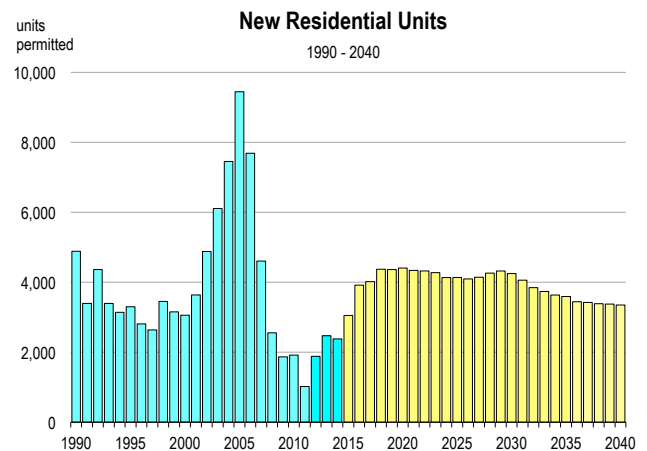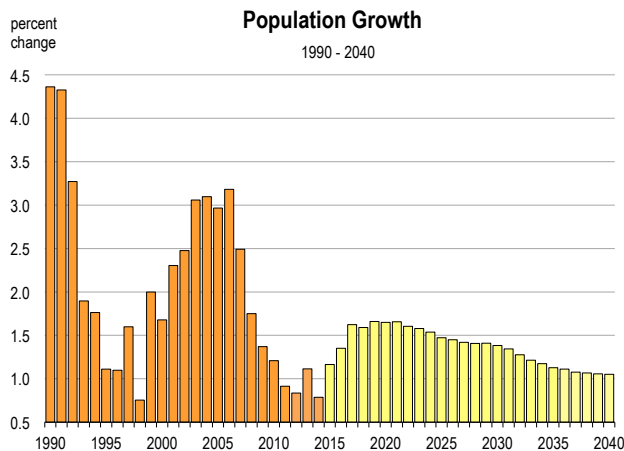
Forecast Highlights

- Total wage and salary employment is expected to increase by 2.5 percent in 2015, and by an annual average of 1.4 percent between 2015 and 2020.

- Between 2015 and 2020, job growth will be led by professional and business services, education and healthcare, leisure and hospitality, and government. Together, these sectors are expected to account for 57 percent of net job creation in the county.

- Average salaries are currently well below the California state average, and will remain so over the forecasted horizon. In Kern County, real average salaries will increase by 0.6 percent per year from 2015 to 2020.

- Population growth should accelerate over the next few years. Though it will not match the rapid pace that was observed from 2001-2007, it will remain relatively high, averaging 1.6 percent per year from 2015 to 2020.

- From 2015 to 2020, net migration will rise. An average of 5,600 net migrants are expected to enter the county each year during this period.

Total Wage & Salary Job Creation
1990 - 2040

Real Per Capita Personal Income
1990 - 2040

- Between 2015 and 2020, an average of 4,000 housing permits will be issued each year. More than 12,000 new homes could be built at the base of the Grapevine, but the environmental review process could delay or cancel the project.

- Real per capita income is expected to increase at a rate of 2.8 percent in 2015. Growth is expected to average 0.7 percent per year between 2015 and 2020.

- Total taxable sales, adjusted for inflation, are expected to increase by an average of 0.6 percent per year between 2015 and 2020.

- Industrial production is expected to increase by 1.6 percent in 2015. From 2015 to 2020, the growth rate of industrial production is expected to average 3.7 percent per year.

- Farm production is forecasted to increase by 1.1 percent per year between 2015 and 2020. The principal farm product in the county is the grape.

Kern County Economic Forecast
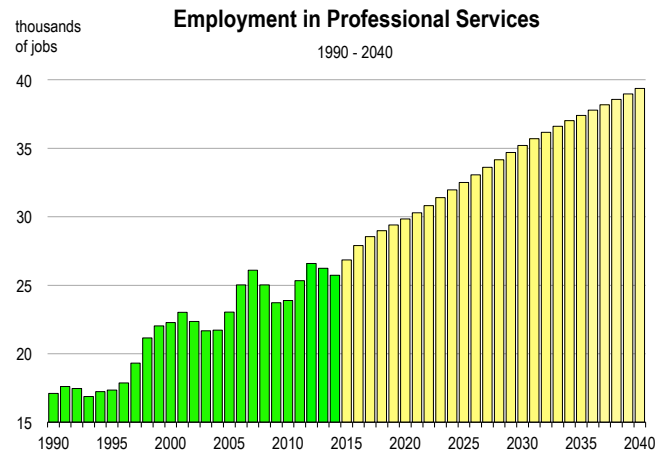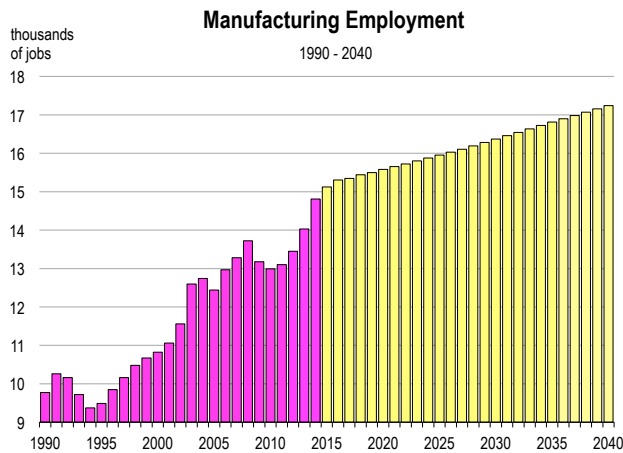## 2006-2014 History, 2015-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy-ment Rate (percent)
2006	786,220	15,131	669	237.0	7,691	$12.0	$21.7	$31,760	4.3	4.0	11.4	7.6
2007	805,798	9,681	672	243.0	4,608	$11.9	$23.4	$32,353	3.3	4.6	12.7	8.2
2008	819,891	3,884	676	248.7	2,558	$12.1	$24.4	$32,054	3.5	4.3	15.4	9.8
2009	831,134	1,474	678	251.5	1,868	$9.9	$24.1	$31,546	-0.8	3.9	12.5	14.4
2010	841,189	529	681	254.6	1,920	$11.1	$25.8	$32,964	1.2	5.1	13.1	15.7
2011	848,880	-1,318	682	255.9	1,022	$13.7	$28.1	$34,647	2.7	5.9	16.0	14.8
2012	855,974	-1,882	688	257.4	1,884	$14.7	$30.1	$35,977	2.0	6.5	17.7	13.2
2013	865,511	763	708	258.7	2,472	$15.2	$31.0	$36,271	1.1	6.9	14.3	11.7
2014	872,322	-1,301	724	260.5	2,382	$15.2	$32.5	$37,267	1.3	7.1	14.6	10.5
2015	882,480	1,766	738	262.8	3,052	$15.9	$34.1	$38,307	0.9	7.3	14.8	9.2
2016	894,404	3,394	751	265.6	3,919	$16.6	$36.2	$39,039	3.0	7.4	15.5	8.1
2017	908,924	5,849	764	269.2	4,019	$17.3	$38.2	$39,261	3.1	7.5	16.0	7.8
2018	923,379	5,681	775	273.0	4,374	$17.8	$40.1	$39,398	2.8	7.6	16.7	7.7
2019	938,705	6,410	788	277.0	4,364	$18.4	$42.0	$39,532	2.7	7.6	17.2	7.7
2020	954,191	6,450	800	281.1	4,408	$19.0	$44.0	$39,635	2.8	7.7	17.8	7.7
2021	969,995	6,698	812	285.2	4,340	$19.6	$46.1	$39,713	2.9	7.8	18.3	7.9
2022	985,557	6,337	824	289.2	4,325	$20.2	$48.4	$39,824	2.9	7.8	18.8	7.9
2023	1,001,116	6,238	836	293.2	4,276	$20.7	$50.5	$39,907	2.5	7.9	19.4	7.9
2024	1,016,507	6,019	849	297.2	4,135	$21.3	$52.8	$40,113	2.4	8.0	19.9	8.0
2025	1,031,474	5,552	862	301.0	4,137	$22.0	$55.4	$40,389	2.6	8.1	20.5	8.0
2026	1,046,422	5,485	875	304.8	4,096	$22.6	$58.0	$40,568	2.7	8.2	21.1	8.1
2027	1,061,278	5,339	886	308.6	4,145	$23.3	$60.6	$40,729	2.7	8.2	21.7	8.1
2028	1,076,212	5,403	897	312.5	4,263	$24.1	$63.2	$40,841	2.5	8.3	22.5	8.1
2029	1,091,383	5,567	909	316.4	4,324	$24.9	$65.9	$41,034	2.3	8.4	23.3	8.1
2030	1,106,477	5,468	921	320.4	4,250	$25.6	$68.7	$41,314	2.2	8.5	24.1	8.1
2031	1,121,348	5,173	933	324.4	4,061	$26.5	$71.7	$41,627	2.1	8.6	24.9	8.1
2032	1,135,659	4,574	944	328.1	3,847	$27.3	$74.8	$41,928	2.3	8.7	25.8	8.1
2033	1,149,446	3,980	954	331.7	3,738	$28.2	$77.7	$42,228	1.9	8.8	26.7	8.1
2034	1,162,942	3,657	965	335.2	3,636	$29.0	$81.0	$42,567	2.1	8.9	27.6	8.1
2035	1,176,052	3,260	976	338.5	3,594	$29.9	$84.5	$42,956	2.2	9.0	28.5	8.0
2036	1,189,124	3,203	987	341.9	3,444	$30.8	$88.3	$43,274	2.6	9.0	29.5	7.9
2037	1,201,926	2,935	997	345.1	3,425	$31.7	$92.3	$43,591	2.7	9.1	30.5	7.8
2038	1,214,751	2,942	1,007	348.2	3,388	$32.6	$96.3	$43,862	2.5	9.2	31.5	7.6
2039	1,227,586	2,952	1,017	351.4	3,378	$33.6	$100.5	$44,129	2.7	9.2	32.6	7.4
2040	1,240,496	2,998	1,028	354.5	3,351	$34.5	$105.0	$44,451	2.6	9.3	34.0	7.3

Population Growth
1990 - 2040
percent change

New Residential Units
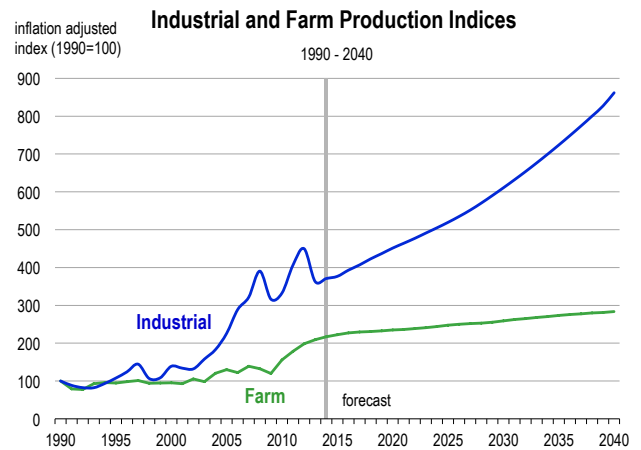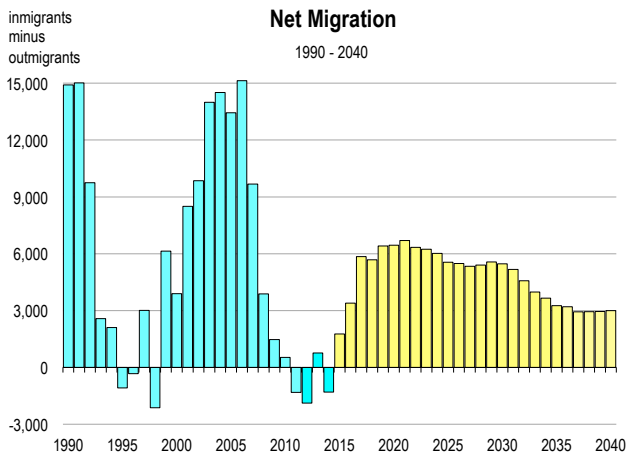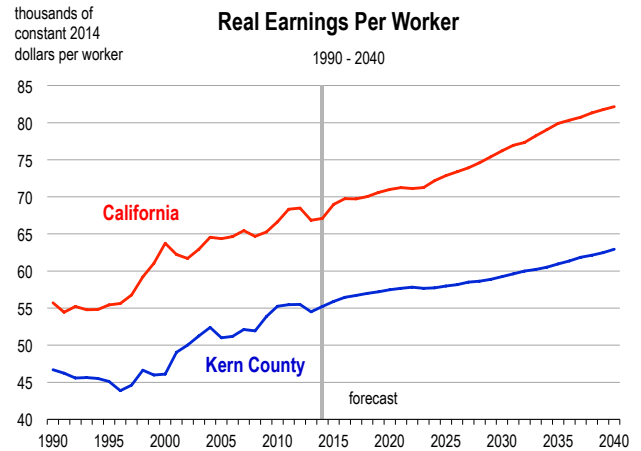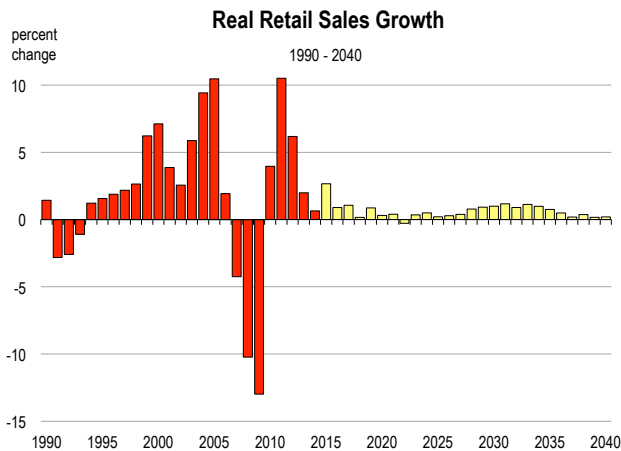1990 - 2040
units permitted

Kern County Employment Forecast
2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
					----------------employment (thousands of jobs)----------------							
2006	281.5	45.25	20.0	13.0	9.4	37.1	9.0	25.0	2.7	25.7	20.7	57.7
2007	287.3	45.60	18.4	13.3	9.6	37.2	9.1	26.1	2.8	27.2	21.5	60.0
2008	291.2	49.56	16.5	13.7	9.6	35.8	8.9	25.0	3.0	28.4	21.5	61.5
2009	273.7	42.26	13.1	13.2	8.9	34.1	8.5	23.7	2.8	28.9	21.0	60.8
2010	274.0	44.58	12.7	13.0	8.4	33.9	8.2	23.9	2.7	28.7	20.5	60.6
2011	284.8	48.80	13.9	13.1	8.7	35.2	8.3	25.3	2.6	29.3	20.7	60.2
2012	299.7	54.38	16.7	13.5	9.1	36.3	8.7	26.6	2.7	30.8	21.6	58.8
2013	310.0	59.58	17.2	14.0	9.5	38.0	8.8	26.2	2.5	32.2	22.8	58.4
2014	317.6	60.72	18.2	14.8	9.8	40.0	8.7	25.7	2.4	32.7	24.1	59.6
2015	325.6	61.61	18.6	15.1	10.2	41.2	8.9	26.8	2.4	33.7	25.3	60.8
2016	333.2	62.40	19.4	15.3	10.5	41.9	9.0	27.9	2.4	34.7	26.5	61.6
2017	338.6	62.72	19.9	15.3	10.8	42.4	9.2	28.5	2.4	35.5	27.4	62.3
2018	342.6	62.98	20.0	15.4	11.1	42.7	9.4	29.0	2.4	36.4	28.0	62.7
2019	346.1	63.30	20.2	15.5	11.3	43.0	9.5	29.4	2.4	37.4	28.4	63.1
2020	349.4	63.74	20.2	15.6	11.5	43.2	9.7	29.8	2.4	38.3	28.6	63.6
2021	352.1	64.18	20.1	15.7	11.7	43.4	9.8	30.3	2.4	39.2	28.8	63.6
2022	355.1	64.69	20.1	15.7	11.9	43.5	9.9	30.8	2.5	40.1	28.8	63.7
2023	358.3	65.29	20.1	15.8	12.2	43.6	10.0	31.4	2.5	41.1	28.9	63.9
2024	361.7	66.16	20.0	15.9	12.4	43.8	10.1	32.0	2.5	42.0	28.9	64.1
2025	365.1	67.08	19.9	16.0	12.6	44.0	10.2	32.5	2.5	42.9	29.0	64.4
2026	368.4	67.74	19.9	16.0	12.8	44.1	10.3	33.1	2.5	43.7	29.2	64.6
2027	371.5	68.25	19.9	16.1	13.0	44.3	10.4	33.6	2.5	44.6	29.3	64.9
2028	374.7	68.68	19.9	16.2	13.3	44.5	10.4	34.2	2.5	45.4	29.5	65.1
2029	378.2	69.36	19.9	16.3	13.5	44.8	10.5	34.7	2.5	46.3	29.7	65.4
2030	382.0	70.25	20.0	16.4	13.7	45.0	10.6	35.2	2.6	47.1	30.0	65.7
2031	385.9	71.30	19.9	16.5	13.9	45.4	10.6	35.7	2.6	47.9	30.3	65.9
2032	389.4	72.04	19.9	16.5	14.1	45.6	10.7	36.2	2.6	48.8	30.6	66.2
2033	392.9	72.78	19.8	16.6	14.3	46.0	10.7	36.6	2.6	49.7	30.9	66.5
2034	396.4	73.51	19.7	16.7	14.5	46.3	10.8	37.0	2.6	50.6	31.1	66.7
2035	400.0	74.33	19.7	16.8	14.8	46.5	10.9	37.4	2.6	51.5	31.4	67.0
2036	403.4	74.97	19.7	16.9	15.0	46.8	10.9	37.8	2.6	52.4	31.7	67.3
2037	406.6	75.55	19.7	17.0	15.2	47.0	10.9	38.2	2.6	53.3	32.0	67.5
2038	409.8	76.05	19.8	17.1	15.4	47.2	11.0	38.6	2.7	54.1	32.3	67.8
2039	413.0	76.55	19.9	17.2	15.6	47.3	11.0	39.0	2.7	55.0	32.5	68.1
2040	416.3	77.13	19.9	17.2	15.8	47.5	11.1	39.4	2.7	55.8	32.8	68.4

Manufacturing Employment
1990 - 2040
thousands of jobs

Employment in Professional Services
1990 - 2040
thousands of jobs

Real Retail Sales Growth
1990 - 2040

percent change

Real Earnings Per Worker
1990 - 2040

thousands of constant 2014 dollars per worker

California

Kern County

forecast

Net Migration
1990 - 2040

inmigrants minus outmigrants

Industrial and Farm Production Indices
1990 - 2040

inflation adjusted index (1990=100)

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	3.3%
Expected job growth:	7.3%
Fastest growing jobs sector:	Education and Health
Expected personal income growth:	11.9%

Expected population growth:	9.4%
Net migration to account for:	38.7%
Expected growth in number of vehicles:	10.5%

Demographics (2015)

Unemployment rate (March 2015):	11.1%
County rank* in California (58 counties):	48th
Working age (16-64) population:	64.0%

Population with B.A. or higher:	15.1%
Median home selling price (2014):	$185,000
Median household income:	$48,177

Quality of Life

Violent crime rate (2013):	571 per 100,000 persons
County rank* in California (58 counties):	51st
Average commute time to work (2015):	26.2 minutes

High school drop out rate (2014):	13.8%
Households at/below poverty line (2015):	19.6%

* The county ranked 1st corresponds to the lowest rate in California